

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Gala Industries, Inc.

#### GENEDGE ALLIANCE

#### Lean Implementation Strengthens Gala Industries' Global Position

##### Client Profile:

Gala Industries, Inc. is a global manufacturer of centrifugal dryers and pelletizing systems. Gala also specializes in custom designed turn-key pellet production systems for various applications, including thermoplastics, engineered resins, hot melt adhesives, masterbatches and compounds. The company employs 222 people at its facility in Eagle Rock, Virginia.

##### Situation:

Gala Industries needed to implement a strategy to make the company more competitive and maintain their market share. Of key concern was the need to streamline Gala's administrative processes, as approximately 50 percent of the company's lead time consisted of administrative tasks that added little or no value. Gala management also recognized that there were improvements to be made within the organization with regard to material handling and flow, which were negatively affected by constraints inherent to the facility. In addition to using a detached warehouse for incoming material inspection and spare parts inventory, the main facility had been built in sections and had a limited number of openings in the wall within which to move materials. The company contacted GENEDGE ALLIANCE, formerly Virginia's A.L. Philpott Manufacturing Extension Partnership (VPMEP), a NIST MEP network affiliate, for help.

##### Solution:

GENEDGE ALLIANCE and Gala's Vice President of Manufacturing, Mike Dudding, developed a strategic plan for introducing Lean manufacturing techniques. A comprehensive assessment was conducted in order to benchmark the company's current practices with World Class manufacturers and to identify improvement opportunities. GENEDGE ALLIANCE conducted a Lean workshop for Gala's advisory board members, team leaders and key management employees. Every employee participated in either a Lean Manufacturing for the Job Shop or Lean Tools for the Office workshop in order to raise awareness of the benefits to be gained from Lean manufacturing. Value Stream Mapping (VSM) and Implementation programs were held with select employees to provide them with the skills needed to identify opportunities for improvement. Lean Performance Measures were implemented, establishing the basis from which the financial impact realized by implementing Lean manufacturing techniques would be measured. A series of Kaizen rapid improvement events were held to address Gala's requirement for standardizing and properly documenting company policies, procedures and work instructions. A standard work Kaizen project was directed at the final assembly area. GENEDGE ALLIANCE Project Manager Mark Oakes created a new 'Lean-friendly' layout for the plant in preparation for the arrival of new equipment.

During Gala's Lean manufacturing transformation, it became evident to Gala management that they had outgrown their existing IT system and required either significant internal reprogramming or new software to satisfy the company's requirements. Gala sought a solid, flexible and user-friendly software program with the ability to enhance the sales process, generate reports from user inquiries, and be

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easily modified as the company experienced growth. Gala's IT Project Team hoped to incorporate work flow analysis and the integration of all business functions into a single software package, while being able to communicate effectively with its globally located facilities. GENEDGE ALLIANCE Project Managers coordinated business process interviews with committee members to determine which enterprise resource planning (ERP) system requirements would align with the company's business objectives. This research was utilized in the initial selection of multiple prospects with suitable ERP packages; the field was narrowed to two viable candidates after the prospects were tested against set priorities and their scores and performance reports were analyzed. Detailed reviews, to include software demonstrations and site visits were conducted on these two packages, price and terms were negotiated, and a final selection was made, all in less than half the time traditionally required for these types of projects.

#### **Results:**

- \* Created 15 new jobs.
- \* Achieved a more competitive and profitable position.
- \* Reduced lead time.
- \* Reduced material handling by 20 miles.

#### **Testimonial:**

"GENEDGE ALLIANCE provided us with a systematic approach to integrating Lean Manufacturing concepts with our 'job shop' culture. We will continue to improve our processes and standardize our practices using the principles they have taught us. We have found the Lean journey to be one that everyone at Gala can grab hold of and apply. We appreciate them pointing us in the right direction."

Ken Martin, Planning & Scheduling Manager